FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 007 *10 January 1980*

BOLIVIA

Interior Ministry Closes in View of Coup Rumors C 1
Cabinet, President To Meet C 1
Garcia Meza Denies Rumors C 1

BRAZIL

Justice Minister Portella Dies; Replacement Named D 1
Portella Dies D 1
Abi-Ackel Named D 1
Abi-Ackel Comments D 1
PETROBRAS, Iraqi National Oil Company Sign Agreement D 1

CHILE

Minister Says There Will Be Constitutional Plebiscite E 1
Economic Prospects for 1980 Viewed as Promising E 1

PANAMA

Royo Terms Implementation Law 'Unacceptable' in Letter to Carter N 1
[LA ESTRELLA DE PANAMA 9 Jan]
Newspaper Details 7 Jan Anti-Shah Demonstrations N 7
[STAR AND HERALD 8 Jan]
9 January Events Commemorate Ascanio Arosemena N 7
CTRP Calls for 28, 29 Jan Strike To Oppose Law 95 N 9
SITACA Calls Indefinite Strike at Sugar Mill N 9
[CRITICA 8 Jan]

CENTRAL AMERICA

COSTA RICA

Government Denies Action Against Soviet, Cuban Diplomats P 1
Authorities Gird for Possible Disorders in Atlantic Zone P 1
Carazo Criticizes Oil Prices, Communist Strike Participation P 2
PVP Leader Defends Party From Government Attacks P 3
New Ministry of Energy To Be Created P 4

EL SALVADOR

Names of New Civilian Junta Members Announced P 4
Military Junta Members Discuss Return to Democracy P 4
COPEFA Calls for National Unity in Development Effort P 5
Former Education Minister Samayoa Joins FPL Ranks P 7

GUATEMALA

EGP Kills Two Peasants as Informers in North P 7

HONDURAS

Nicaraguan Response to Helicopter Incident Deemed Insufficient P 8

NICARAGUA

Guatemalan Interior Minister Arrives for Talks With Borge P 9
Minister Discloses Coffee/Losses for 1978-1979 of $33 Million P 9
Indictments Presented on Former Somozist Guardsmen P 10
UNESCO's M'Bow Expresses Support for Literacy Drive [Havana] P 11
Meeting Stresses Political Role of Teachers P 11

CUBA

U.S. Moves Against Soviet Union Announced Q 1
Commentary Warns of Consequences Q 1
Increased U.S. Military Spending Decried Q 2
Raul Castro Meets With CPSU Delegation Q 3
Kampuchean Envoy Hosts Reception Marking Liberation Day Q 3
Sugar Export Agreement Reached With Syria Q 4
Bulgarian Ambassador Tours Factory Construction Site Q 4
Minister Explains Suspension of Flights Over Territory Q 4
Conflict With Colombia Denied Q 5
Arnaldo Milian Announces Premium Pay Program for Farmers Q 5
Tours Farm Areas Q 5
Secretariat Member Visits Camaguey Construction Projects Q 6
Pedro Miret Tours Sagua la Grande Industries Q 6
Miret Chairs Santa Clara Factory Meeting Q 6
Briefs: Nordic Brigade's Activities Q 6

CARIBBEAN

DOMINICA

Minister Douglas Takes Over Agriculture Ministry S 1
Strike Against Agricultural Marketing Board Begins S 1

JAMAICA

Manley Assumes Agriculture Ministry Duties S 1
Manley Congratulates Indira Ghandi on Election Victory S 1
JMA Calls for Meeting on Import Licenses S 1
Several Roads Mined; Antigovernment Demonstrations Reported S 2

TRINIDAD

Dockers Strike To Protest Newspaper Accusation S 2

OTHER COUNTRIES

ECUADOR

Government Increases Price of Bunker Fuel V 1

VENEZUELA

Herrera Cancels Bolivian Visit Due to Busy Schedule V 1
Budget Cuts Cause Serious Concern for Information Media V 1

INTERIOR MINISTRY CLOSES IN VIEW OF COUP RUMORS

PY100027 La Paz Radio Cruz del Sur Network in Spanish 0005 GMT 10 Jan 80 PY

[Text] The doors of the Interior, Immigration and Justice Ministry were closed today as of 1700 in view of the increasing rumors of a coup. Minister Jorge Selum Vaca Diez summoned the ministry staff to determine the steps to be taken to analyze the situation prevailing in the country. Ministry spokesmen stated that Minister Jorge Selum Vaca Diez decided against meeting with the press because he is busy studying the reports reaching his office as an emergency step regarding the situation.

Cabinet, President To Meet

PY100100 La Paz Radio Panamericana Network in Spanish 0015 GMT 10 Jan 80 PY

[Direct report from Government House by reporter (Daniel Alarcon)]

[Text] Starting at 2200 tonight the Cabinet will hold a special meeting with President Lidia Gueiler when a thorough analysis of the country's political situation will be made in view of the persistent rumors over the past few hours that a subversive action is going to take place in the next few hours, but the sector involved in this alleged action was not identified. We would also like to report that as of approximately 1715, the president was holding a private meeting with the former commander of the army during the government of Colonel Natusch, Gen Luis Garcia Meza. We are waiting to hear a report on what is being discussed at this meeting which, I reiterate, is confidential and is being held at Government House. We also would like to report that the interior minister, when he entered Government House, reiterated once again that there is complete tranquillity despite the persistent rumors.

Garcia Meza Denies Rumors

PY100301 La Paz Radio Fides in Spanish 0200 GMT 10 Jan 80 PY

[Excerpts] Before the interior minister arrived at Government House, Gen Luis Garcia Meza, commander of the military school, came to Government House. General Garcia refused to make any comments at this time. Radio Fides has learned that General Garcia Meza was called by President Lidia Gueiler to answer accusations against him that he is committed to a coup. General Garcia Meza left Government House at 2115. At this time, General Garcia Meza, commander of the military school, said: The armed forces are not in the process of a coup and we will defend the constitutional government of President Lidia Gueiler. General Garcia Meza had been at Government House since 1745 this afternoon. [recorded passage indistinct] General Garcia Meza, former commander of the army, said that there exists the full guarantee of the people and the armed forces to continue the democratic process. The rumors of a coup have their origin in political elements of the extreme right or left, General Garcia Meza said. [recorded passage indistinct] The armed forces are very worried about the political situation of the country, Garcia Meza said. He said that the presence of the commander in chief of the armed forces in Santa Cruz is for the exclusive purpose of meeting with the officers of that garrison regarding the decisions made on appointments. General Garcia Meza said that there is no unrest in the armed forces. [recorded passage indistinct] The armed forces will support the government of President Lidia Gueiler to the last conclusion, General Garcia Meza reiterated. [recorded passage indistinct]

General Garcia Meza said that the current situation the country is experiencing is the responsibility of all Bolivians and not of the process, since we are all Bolivians and we live in this country and are responsible for everything that happens here in the country. General Garcia Meza said that politics have not entered into the armed forces, except in some sectors which are known by the people.

JUSTICE MINISTER PORTELLA DIES; REPLACEMENT NAMED

Portella Dies

PA070228 Paris AFP in Spanish 2332 GMT 6 Jan 80 PA

[Excerpt] Brasilia, 6 Jan (AFP)--Brazilian Justice Minister Petronio Portella, who played a prominent role in the formulation of the political reform that repealed the standby laws in force in Brazil from 1964 to 1979, died here today of a heart attack.

Abi-Ackel Appointed

PY081843 Goiania Radio Clube de Goiania in Portuguese 1815 GMT 8 Jan 80 PY

[Text] Brasilia--Ibrahim Abi-Ackel, deputy for the extinct ARENA [National Renewal Alliance] party of Minas Gerais, linked to the PSD [Social Democratic Party] is the new justice minister, replacing Petronio Portella. The report was released a few minutes ago by government leaders in the Senate and in the Chamber of Deputies, Nelson Marchezan and Jarbas Passarinho, respectively, who made the announcement after a meeting with President Figueiredo.

Abi-Ackel Comments

PY091238 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 9 Jan 80 PY

[Carlos Rodrigues relayed report from Brasilia]

[Excerpts] Countering all expectations, Ibrahim Abi-Ackel was yesterday appointed new justice minister by President Joao Baptista de Figueiredo replacing Petronio Portella. Abi-Ackel will now comment on the important post he will assume in Brazilian public life.

[Begin Abi-Ackel recording] Having been appointed justice minister by President Joao Baptista de Figueiredo, I receive this designation with the obligation of advising and helping the president of the republic in developing and instituting the permanent political structure of our country, based on the principles of authenticity and autonomy, authenticity and autonomy which must be able to generate social participation, and which are the only principles which provide (?susceptibility) and legitimacy to institutions. [end recording]

PETROBRAS, IRAQI NATIONAL OIL COMPANY SIGN AGREEMENT

PY100114 Brasilia Domestic Service in Portuguese 2200 GMT 9 Jan 80 PY

[Text] Social Communications Minister Said Farhat informed the press late this afternoon that Brazil and Iraq have signed an oil supply agreement whereby PETROBRAS will receive 11.25 million barrels of oil worth $180 million as reimbursement for investments PETROBRAS made in Iraq through 31 December 1979. Furthermore, under the agreement the Iraqi national oil company is to supply PETROBRAS with 20.75 million barrels above regular supplies from January through March 1980 at special prices. Minister Farhat also revealed that the agreement provides for an additional daily supply of at least 160,000 barrels for a period of 13 years beginning this January at higher prices.

MINISTER SAYS THERE WILL BE CONSTITUTIONAL PLEBISCITE

PY091453 Santiago Chile Domestic Service in Spanish 1000 GMT 9 Jan 80 PY

[Excerpts] In his lecture at the Valparaiso Business School on the basis of the new institutional process, Interior Minister Sergio Fernandez said that following the chaos experienced in 1973, the military government created a bold, new social, economic and political regime.

He added that the enforcement of a new constitution is not enough, since a few simple amendments in the future may change the entire concept of the general principles which the country needs for its healthy development.

He said that it is evident that there is an imperative need for a new constitution, but that this is only a part of a general institutionalization process aimed at establishing a new, permanent social, economic and political regime in the country.

Fernandez noted that there are no deadlines for the new institutionality, since no one can tell how long it will take to establish the basis that will lead to the consolidation of those government objectives which will insure peace and social order.

He added, moreover, that the new constitution should be enforced through a plebiscite that must be approved by the entire nation. He said that there will be no other alternatives than those proposed by the government.

When asked what will happen if the people do not approve the new constitution, Fernandez said that the government will have to revise those points that were not approved, but that it will not make any radical modifications of the original draft. He said that once the new constitution is approved, it will not be immediately promulgated. It will be gradually promulgated in accordance with the situation at the time. There will be, therefore, a transition period between the present system and the new constitution. He noted that the transition period should not be thought of as one of political opening. On the contrary, the government must be extremely severe during this period since the entire system will be in jeopardy.

ECONOMIC PROSPECTS FOR 1980 VIEWED AS PROMISING

PY091910 Paris AFP in Spanish 1753 GMT 5 Jan 80 PY

[Excerpts] Santiago, Chile, 5 Jan (AFP)--According to official sources, promising prospects were foreseen today for the Chilean economy in 1980. The economy finished last year with growth in the financial sector, foreign trade and salaries. However, despite the optimistic expectations, two important problems remain for the government authorities: The high inflation index, which reached 39 percent in 1979, and the persistent 13-percent unemployment.

According to official statistics, during 1979 the Chilean economy grew by 7 percent in comparison to 1978, which means that in the last 4 years the growth rate has amounted to an average of 6.4 compounded annually. A recent poll of 303 industrial enterprises by the Industrial Development Association revealed that in 1980 Chilean production will continue to increase. Regarding this situation, investments are presently being made to enlarge the production capacity of more than 17 percent of these enterprises.

ROYO TERMS IMPLEMENTATION LAW 'UNACCEPTABLE' IN LETTER TO CARTER

PA091711 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Jan 80 pp A-1, A-12 PA

[Text of letter sent by Aristides Royo, president of Panama, to U.S. President Jimmy Carter on 8 January 1980--passages in uppercase published in boldface]

[Text] Your Excellency Jimmy Carter
President of the United States of America
White House

Dear President:

In my letter of 11 July 1979, I presented to you the objections of the Panamanian Government to several articles of the bill HR-111, under discussion at the time by the U.S. Congress, which violated the spirit and letter of the Panama Canal treaty or were not acceptable because they could create difficulties in the implementation of the treaty. Although amendments were made later to the bill which after it was approved was registered as Public Law 96-70 of 27 September 1979, most of the resolutions to which I objected in my letter were not amended, at least not in the sense and way established for the accurate implementation of the obligations contracted by the signees of the treaty.

Three months have gone by since the implementation of the treaty and during this time I have followed the course of the works of the canal operation, mostly aided by information provided by our officials from the Canal Authority. In studying and analyzing this information I have become aware that facts corroborate my government's presumptions regarding the unfavorable consequences to the rights and just aspirations of my country and of the difficulties in the administration of the canal which inevitably would result from some dispositions of bill HR-111, which now is Law 96-70.

For this reason I am writing you this letter, with the main purpose of submitting to you the viewpoint of my government and the Panamanian people regarding the aforementioned situations. We do this in an effort on our part to see that good relations and mutual understanding prevail between our countries, in everything related to the Panama Canal.

The first and most general observation is that the contents of Law 96-70 are not the legal instruments for the implementation according to the norms and basic objectives of the 1977 treaty. The treaty established that U.S. rights and responsibilities were to be carried out by a specialized government agency, the Panama Canal Commission, and that the Republic of Panama would as a basic principle be granted a growing participation in its structure, functioning, administration, protection and defense of the canal, as established in Article 1, Paragraph 3, of the treaty. Law 96-70 radically differs from the concept of the treaty regarding the Canal Commission by making it into an executive agency ("appropriated-fund agency"), which rigidly binds it and takes away its administrative, economic and financial flexibility.

A series of dispositions which distorted the nature of the Panama Canal Commission have been derived from the interpretation of Law 96-70 which is contrary to the treaty, as was agreed by both parties. This has happened in such a way that my government cannot but consider that the law, in its general content, is illegal, contrary to the legitimate interests of both parties, not acceptable because of the modus operandi it establishes and unacceptable in every way for the Republic of Panama.

It would be inadequate to present in this letter full details of the direct objections which could be made against many articles of Law 96-70. In its full extension, my letter of 11 July 1979 serves the purpose. However, I must refer to some aspects which I cannot overlook.

On creating the Canal Commission, Section 1101 of the law closes with the disposition that "the authority of the president of the commission will be exercised through the SECRETARY OF DEFENSE." This disposition, which apparently is a simple formality, carries with it a special objective, which consists of placing the commission under the total dependency of that department, as a sort of appendix to it. This double purpose as published can be seen in Section 1102 (A), which establishes that one of the members of the supervisory board is the SECRETARY OF DEFENSE, and that the U.S. members of the board will vote according to the instructions of the SECRETARY OF DEFENSE, and in Section 1102 (C) which determines that "the board will hold meetings according to the bylaws adopted by the commission and approved by the SECRETARY OF DEFENSE." Already in the title corresponding to Section 1102, the law explicitly describes the board as a supervisory board, deviating from the terminology employed in the Spanish text of the treaty, which is also authentic. This is going to the extreme of converting it into a supervisory board when it should not be less than a board of directors. Thus we see that the secretary of state represents everything: The means for the president to exercise his authority over the commission by being a member of the board; the source of instructions telling the majority of the board how to vote; and being the one that approves the regulations of the commission above the board. For this reason the law leaves the Canal Commission in a subordinate position as a dependency of the Defense Department, just as the Panama Canal Company was to a certain extent until 1 October 1979 under the control of that same department, according to the law of the Canal Zone.

And if the treaty conceived the commission as a newly created legal agency to exercise the U.S. rights and responsibilities, then the open subordination of the commission to the Defense Department effected under this law violates, through an unusual disavowal, the special and independent legal status granted to the commission by the treaty. It was enough, and not juridically objectionable, for Section 1102 (A) to designate the defense secretary as member of the board of directors. However, the turning of the Canal Commission into an appendix of that department is what invalidates in practice the concept in regard to the commission contained in the treaty. This merits a most categorical opposition on the part of the Republic of Panama because Panama did not agree in the treaty that the agency which will manage the canal operations--in which there are four Panamanian directors and an assistant administrator--would be--through an illegal mandate included in the law--inexplicably subordinated to the U.S. Defense Department, with the aggravating circumstance that--through an exorbitant demand--the law provides that a quorum will be constituted at all board sessions when an internal majority of U.S. members is present (Section 1102,C).

The U.S. Government should be as seriously concerned as is the Panamanian Government over the limitation of funds with which Law 96-70 jeopardizes the efficient handling of canal operations by the commission. Because it was created as an executive agency, its budget appropriations require approval by the U.S. Congress (Section 1302,C,1). In addition, Section 1302 (C)(2) provides that no funds will be accredited for use by the Canal Commission during any fiscal year exceeding the commission's income during said period plus any available balance of the funds appropriated to it for the preceding fiscal year. Obviously, the objective of this restriction is to keep the U.S. Treasury from contributing to the payment of canal operating expenses. To further tighten this financial squeeze, the House of Representatives Budget Appropriations Committee rejected the inclusion of two appropriations, of $2 million and of $5.9 million, in the Panama Canal Commission's 1980 budget. To be charged to the Federal Treasury, these funds were to be used to pay off the debts of the defunct Panama Canal Company that were outstanding at the close of business on 30 September 1979. The committee ignored the fact that the $5.9 million would be recovered by the collection of moneys owed to the Panama Canal Company.

Section 1303 (A) of Law 96-70 provides for the establishment, effective 1 October 1979, of a Panama Canal contingency fund of $40 million to cover unexpected expenses and to back up appropriations to insure the continuous, efficient and secure operation of the canal. The same committee also opposed the approval of an appropriation to finance the fund, maintaining that financing should come from the canal tolls.

The committee also ignored the fact that moneys drawn from the fund would be replaced by the commission from its income.

The decisions mentioned above render the Panama Canal Commission helpless on those fortuitous occasions in which it will require funds to cover unexpected expenses or when the actual expenses exceed budgeted amounts. A delicate situation might develop since the dredging of the canal and the correction of dangerous curves on the canal route are necessary to keep the canal's passageways permanently efficient for the transit of ships. One cannot diminish the importance of the fact that the interoceanic waterway already has been in continuous use for more than 6 decades and that its installations have deteriorated, requiring constant, intensive and increasing maintenance. Because of the dispositions of Law 96-70 which negatively affect the possibilities of financing, the commission might find itself in the position of adopting highly inconvenient measures such as decreasing regular maintenance activities, deferring the completion of improvement projects that are being studied or are underway, or by trying to reduce expenses by cutting back its labor force.

Contrasting with the limitation of funds described above, the United States has the signed obligation to maintain the waterway in an appropriate condition for its efficient, continuous and secure operation and to transfer the canal to the Republic of Panama the last day of the present century in good working condition. Noncompliance or negligence in fulfilling these obligations would constitute a clear violation of the treaty. On the subject of payments to the Republic of Panama as stiuplated in the treaty, Law 96-70 also does not conform because it specifies that the Canal Commission must pay from its funds the $10 million in public services that the Republic of Panama is going to provide in the townsites where U.S. employees reside. This disposition is unjust, to say the least, if one considers that this expense is more than covered by the taxes that the U.S. canal workers contribute to the U.S. Treasury.

Among the economic compensations to Panama is also an annual payment of up to $10 million--payable from the surplus income from the canal operation--and the commission's expenses, with the stipulation that the amount not paid in any given year would be paid with the surplus from future years. It cannot be denied that in the treaty this last provision refers only to any payment balance pending in favor of Panama, and that no interpretation of Subparagraph C, Paragraph 4, Article XII could be carried to the extreme [of construing] that it authorizes the accumulation of losses to charge them against the surplus of future years.

Nonetheless, this provision has been transformed by Law 96-70 into something totally contrary for, in accordance with Section 1341 (B), previous losses will be counted against any year's surplus. There can be no more open and flagrant violation of the treaty, since it only mentions "surplus balances, "while the legal text mentions "accumulated losses."

Regarding this same economic right by Panama, it turns out that the treaty takes into consideration the commission's "expenses," while in its Sections 1341 (B), 1311 (A) and 1341 (E), Law 96-70 orders that no less than the "costs" listed in those sections be accounted against the revenues and for the purpose of making the payment to Panama. Expenses are generally expenditures in cash, while costs go beyond that, since they include special amounts, such as depreciation, reserves,and so forth. This listing of costs, as a function of the commission's expenses, is illegitimate, particularly because its final result might represent an antijuridical dissipation of an economic right that emanates from the treaty. Those costs, of course, do not represent a small amount. According to a report submitted by the administrator to the House of Representatives' Panama Canal Subcommittee, the 1980 budget allocations increase some of those costs to the following figures: A) $14.8 million in interest for the nonrecovered U.S.investment in the construction of the canal; B) $16.7 million to amortize the cost of the employees' anticipated optional retirement, in accordance with the special retirement law--a total of 31.5 million.

If the treaty recognized Panama's right to an annual payment chargeable to the surplus or surplus balances between revenues and expenses as part of a "just and equitable retribution for the national resources it has dedicated to the efficient functioning, running, maintenance, protection and defense of the canal" (Article XIII), Panama cannot agree to the solution unilaterally provided by Law 96-70, which visibly violates the treaty.

What this law has done regarding the salary system is worth noting with similar emphasis. It has removed the commission's employees from the "Fair Labor Standard Act," which recognized the salary increases agreed on for 1980 and 1981--these increases were higher than the ones now established--without consulting the workers and without their consent. On the basis of this regulation, the Canal Commission has put into effect the labor remuneration system that the Policies Coordinating Board approved for civilian personnel in September 1979. This system creates two plans and two different pay scales based on the distinction between old and new employees.

Furthermore, Law 96-70 Section 1225 (B) (1) (2), establishes that as of 1 October 1979, the salary for new canal employees must not be lower than $2.90 per hour, with an annual 2-percent increase. This provision does not agree with the treaty's stipulations aimed at preventing the impairment of labor conditions and terms in the canal area. Furthermore, the limitation of increases to 2 percent per year is unjustified.

It is thus necessary to adjust the labor retribution system to the treaty's stipulations. The commitment of maintaining the same conditions and terms of employment that existed in the canal area before the implementation of the treaty must be fulfilled by reestablishing the pay scale in effect before 1980 and 1981 and by implementing a unified and just salary policy, with uniform pay scales.

Since at the end of the present century the canal is to be transferred to the Republic of Panama and the latter must assume the responsibility for running it, Panama's increasing participation in the administration, protection and defense of the canal, which the treaty establishes, is of relevant significance because of its purpose. Its objective is not only the training of Panamanian personnel in all aspects of the administration and functioning of the canal so that this transference is carried out "in an orderly and efficient manner," as the treaty itself expresses. This participation is also aimed at having Panama play an important role in everything connected with the canal. The joint organizations that the treaty establishes with their special functions materialize Panama's right to participate in the making of decisions connected with the canal. Thus, the appointment of four Panamanian members to the commission's directive board and of a Panamanian assistant administrator in this commission constitutes PANAMANIAN REPRESENTATION at the commission's top directive levels, which the treaty specifically terms "the participation of Panamanians at the top levels of the commission's directorate." The Panamanian directors and assistant administrator are proposed by Panama; the latter even has the right to request the removal of any of the Panamanian directors; and this legally confirms their role as representatives of Panamanian interests within the commission.

Since the board of directors and the positions of administrator and deputy administrator are part of the Panama Canal Commission, a U.S. Government agency, it is within U.S. authority to appoint them. But the Panamanian directors and deputy administrator do not lose, by reason of such a technicality, their role as representatives of the interests of the Republic of Panama.

Nevertheless, Law 96-70 treats those officials in a way which is not in keeping with the situation drafted by the treaty. Section 1102 (B) indiscriminately states that the board members will maintain their posts at the discretion of the U.S. President. However, this cannot be true of the Panamanian members, because the treaty contains a special procedure for their removal.

Section 1112 (B) of the law establishes that the board will approve a "code of conduct" applicable to its members and officials and employees of the commission and that this code will contain provisions substantially the same as certain comparable U.S. laws and Panamanian legal provisions. The application of the code of conduct to the Panamanian directors and deputy administrator violates their jurisdictional status which the treaty grants them as representatives of the interests of the Republic of Panama. This violation is not lessened by the fact that the same Section 1112 (B) has established that agreement will be reached with the Republic of Panama in which each nation will agree on adopting measures to insure that the board members will comply with the "code of conduct." This is so, because Section (B) literally insures, independent of such agreements, "the jurisdiction which the United States may have with respect to the board members."

We are pleased that the respective U.S. members of the board of directors have finally been appointed. However, the excessive delay in designating the U.S. members has delayed their action. And since the Canal Commission was supposed to begin functioning without interruption last 1 October, and in the absence of the board of directors, we have proceeded to make decisions, to define policies, to acquire obligations and to effect transactions which the Republic of Panama should have been advised of and which their representatives on the board of directors should have considered. To bring things to their proper course, it is necessary that upon integrating this organization, the most important decisions on those elements adopted as of 1 October be reviewed to agree on what is pertinent.

In addition to this, given that the powers and functions of the board of directors and of the administrator and deputy administrator were not specified in the treaty, the problem arises over what must be accomplished by the two parties, to conform with the method of execution in the joint or bilateral statutes adopted in the treaty. It is inadvisable that the respective functions of the administrator and deputy administrator be regulated by informal understandings that would have a permanent effect, or that they be unilaterally regulated.

It is obvious to me that the administrator and deputy administrator, the two most prominent posts in the canal administration, in addition to the board of directors, function in the Canal Commission as the president and vice president of the defunct Panama Canal Company. This being so, the position and functions of the latter were transferred to the deputy administrator. Furthermore, the deputy administrator is the Republic of Panama's representative in the highest executive branch of the canal administration. It is he who safeguards the interests of the Panamanian Government and peoples, of the United States and canal users, because by working in concert with these three groups he guarantees that the canal will serve its function as an international transit waterway.

Consequently, the deputy administrator must have immediate, expeditious and constant access to all components of the canal administration and participate in all the decisions, both for the exercise of his powers and responsibilities, as well as to keep the Panamanian Government abreast of all that it is entitled to know as a partner in the canal enterprise. Therefore, the deputy administrator must be free of any obstacles or hindrances, particularly regarding documents dealing with the handling, operation and maintenance of the canal.

The most important matter is the adoption of a series of essential regulations to replace provisions of the code of federation regulations which do not conform to the new jurisdictional status of the interoceanic waterway. These regulations deal with virtually all or at least the most important aspects of the canal administration. Such a task must always consider, from drafting initial proposals and their discussion until their final adoption, the Republic of Panama.

The treaty created adequate binational organizations with this aim and allows the creation of others of a special nature if deemed advisable for the purpose set forth here. We must prevent the emergence of differences and controversies once the new regulations are implemented, because it would be more difficult to resolve them then.

The opportunity has arrived for designating the chief engineer, a post created by Law 96-70, alongside that of the deputy administrator of the commission. Since the treaty provides for the increasing participation of the Republic of Panama in all levels of employment of the commission, it would be advisable, by virtue of this principle, to choose a Panamanian citizen for this position, because Law 96-70, after creating the office of ombudsman, has restricted the appointment to that office to a U.S. citizen.

I believe some final considerations are in order and in them I must frankly convey my reflections on this matter. My participation in the decisive phase of the negotiations and, from a different level, in the arduous process of ratifying the canal treaty in the Senate and adopting the implementing legislation by the House of Representatives, leads me to make the clear and precise proposal that follows.

The known objective of opponents to the treaties in the Senate was none other than to undermine the stipulations which recognized the rights of the Panamanian people to the interoceanic waterway and the canal area. The congressmen, in turn, for identical objectives introduced in Law 96-70 articles which seek to hinder the application of the treaty, with the aim of preventing or impeding the Republic of Panama from obtaining its legitimate benefits as sovereign of the canal territory. But their attempt was so unwise that it has created serious obstacles to the Canal Commission's ability to administer efficiently and properly the intermarine waterway. I consider that such an attitude on the part of the U.S. legislators harms the best interests of the United States and the Republic of Panama, and the canal which belongs to it.

In view of the significance of Law 96-70, on which I have had to dwell in the preceding pages, and in the face of the specific issues which this law has created in the execution of the canal treaty, which I have also mentioned, I consider that the Government of the United States must undertake specific efforts to produce a decisive halt to the unwise practices which violate the treaty and which affect their implementation and the friendly relations to which we are bound because of our close connection with the canal. It is not possible that a few months after the implementation of the treaty, forces adverse to the community of interests that we share, are causing disruptions and offensive injustices to prevail--something we believed was a thing of the past. I call upon your authority as President of the United States and your well-known attitude of understanding toward Panama, so that a halt to this wrongful policy of disregarding Panamanian rights will become the rule of behavior in the execution of the treaty for the purpose of achieving a general reform of Law 96-70 and drafting of new bilateral agreements in those areas warranted.

To be frank, Mr President, I must state that our nation has not waged from 1904 to 1977 a tenacious struggle, leading to the sacrifice of blood--a date which precisely today we commemorate with devotion--so that the important achievements of the recent treaty will be denied it by Law 96-70; and if such a denial is maintained, the present and future generations, no doubt, will also struggle, as has occurred in the 80 years of this century, to raise the banner of justice to achieve the genuine sovereignty which, notwithstanding the provisions of the Torrijos-Carter treaties, certain U.S. sectors, which have still not understood the significance of respect of the dignity of the Panamanian people, still seek to disregard. With the certainty that you will make the necessary efforts to adequately solve the situations which prompted this note, I cordially greet you, your friend, Aristides Royo, President of the Republic of Panama.

NEWSPAPER DETAILS 7 JAN ANTI-SHAH DEMONSTRATIONS

PA081418 Panama City STAR AND HERALD in English 08 Jan 80 p 1 PA

[Text] New student riots protesting the presence of the former shah of Iran in Panamanian territory broke out in the cities of Panama and Colon yesterday. Students from three Panama City high schools took to the streets calling for the ouster of ex-Shah Mohammad Reza Pahlavi, exiled here since Dec. 15, and who has made Contadora Island his new home.

Students of the Artes y Oficios high school near the University of Panama, located 500 meters from the Panama Hilton Hotel where Pahlavi and his wife stayed during the past weekend, marched on the Ministry of Foreign Affairs building on Peru Avenue, and hurled rocks at a National Guard patrol car.

In another sector near the Paitilla airport, high school students from two schools barricaded the streets with desks, forcing a diversion of traffic for two hours. An eyewitness said the students destroyed a parked vehicle, and National Guard units called to the scene eventually cleared the area with the use of teargas. "Employees in the area did not leave for lunch at midday for fear of becoming isolated," said the personnel director at the Kodak Company, which has its offices facing the schools in the Paitilla area, and where there have been repeated demonstrations since Pahlavi's arrival here.

In Colon rampaging high school students kept the National Guard on the move following a 30-minute rally held outside the governor's office on 6th Street and Bolivar Avenue. Eyewitnesses said, however, that the guard units were successful in preventing the demonstrators from reaching the city's commercial sector, using teargas to disperse the students.

Some 200 Abel Bravo and Rufo A. Garay students left their schools at around 9 a.m. chanting slogans demanding that the shah leave the country. They were in front of the government office when a student leader gave orders to take over the building. They placed a Panamanian flag and two student movement banners on the balcony of the regional office of the Ministry of Education. Troops moved in later and ousted the students from the building. The students hurled rocks and broken bottles at the guardsmen dressed in battle gear, who responded by firing teargas and birdshot. During the melee students managed to break several windows and reportedly set to fire a garbage truck on 9th Street near Central Avenue. Most of the business establishments which had opened earlier quickly closed down.

The ex-shah, who left Panama City Sunday afternoon for Contadora Island after a two-day stay here, did not witness the demonstrations yesterday.

Meanwhile, Deputy Secretary of the Panama Student Federation Jose Didimo Escobar said over a local radio station that guardsmen occupied their headquarters, roughed up several students who were preparing a program to commemorate the events of the Jan 9, 1964 border clashes, and arrested an undetermined number of students.

9 JANUARY EVENTS COMMEMORATE ASCANIO AROSEMENA

PA092216 Panama City Circuito RPC Television in Spanish 1800 GMT 9 Jan 80 PA

[Text] The commemoration of the 16th anniversary of the 9 January 1964 events took place today amid irreproachable discipline. Let us hear a report by Manuel Santamaria (Llama). [Begin recording] On 9 January 1964, this plaza, called Shaler Plaza up until a few minutes ago, was stained with the blood of 22 Panamanians and witnessed the courage and bravery of a people.

During the patriotic 9 January 1964 event, which today reached its 16th anniversary, youths offered their lives after seeing our flag insulted and the dignity of a people such as ours trampled on. Our peoples have always known how to overcome national or international changes in society. A series of acts will revive the memory of a fighting group of men and women who did not care about the pressure, abuses and bullets, because they knew at all times how to face the adversities of this historic day with the pride of Panamanians and sons of this fatherland.

Year after year, one of the most glorious and saddest pages of our history is commemorated with love and deep feeling. A group of Panamanians who created the national committee for the defense of our sovereignty organized today's 9 January commemoration. The ceremony began with the unveiling of the plaque which names the plaza the Ascanio Arosemena Plaza. The mother of martyr Ascanio Arosemena and city Mayor Roberto Velasquez carried out the unveiling ceremony. Immediately after, the plaque was read: The fatherland is one, indivisible, eternal. It is the blood of Ascanio Arosemena on the flag. 9 January 1964. The recognition of the plaque was in keeping with a municipal agreement known as agreement No 1 of 1980. City Mayor Roberto Velasquez spoke at the event in the following terms. [end recording]

[Begin Velasquez recording--in progress] has still not died in the chests of Panamanians. Since the beginning of the century, each generation of Panamanians who learned to stand on their feet tried within their means to take further steps to recover our sovereignty. The new generations began to think that it was absurd to render tribute and to celebrate with fireworks and holidays the date of independence of a country which actually stood in the way of our own independence--a country which exploited governments. The Panamanian flag had to fly in all parts of the Canal Zone and civilian authorities hoisted the U.S. flag. This in no way filled the aspirations of Panamanians who wanted to see the national flag flying on the ships crossing the canal and even in the exclusive and powerful military bases. Today we are here, 16 years after that tragic night, in which an unarmed but indomitable people finally kindled the spirit of nationality and confronted the best-equipped army in the world. The outcome was not favorable to us, but it undoubtedly represented a defeat for them. [end recording]

[Begin Santamaria recording] In today's commemorative event, student Ricardo Samaniego who was also part of the national committee for the defense of our sovereignty, 9 January 1980, spoke. Let us hear student Samaniego. [end recording] [Begin Samaniego recording] The glorious 9 January 1964 is the event in which the students and people, filled with love for their country, confronted the prepotency and barbarity of U.S. imperialism. For many decades and since the signing of the 1903 treaty, our people have shown an increase in this anti-imperialist awareness, as is reflected in diverse actions carried out by our youths against the presence in our territory of the common enemy of the peoples struggling for their independence. The outcome of this event was 22 martyrs against the Torrijos-Carter treaties [as heard], detrimental to the achievements of the Panamanian people. [end recording]

[Begin Santamaria recording] At the beginning some 3,000 Panamanians gathered today at the Ascanio Arosemena Plaza to hear the speeches, pronouncements of total sovereignty in the Canal Zone, pronouncements regarding the Torrijos-Carter treaties and historic accounts of the patriotic event carried out by Panamanian students, women, men and elders. They viewed with satisfaction how on the same site where a Panamanian tricolored flag had been placed, a sign was placed which read: Let us not forget 9 January, Republic of Panama. The Federation of Panamanian Students says: present. Democratic Revolutionary Party Secretary General Nicolas Gonzalez Revilla also spoke at the event. He referred to the patriotic event from the government's standpoint. Immediately after the commemorative ceremony at the Ascanio Arosemena Plaza, approximately 5,000 Panamanians marched 5 miles in 1 and 1/4 hours to Amador cemetery where the 9 January event was also to be commemorated with speeches and pronouncements against U.S. imperialism. Like the ceremony in Panama, others were held in different parts of the country commemorating the 9 January 1964 events. [end recording]

CTRP CALLS FOR 28, 29 JAN STRIKE TO OPPOSE LAW 95

PA081549 Panama City Radio Mia Network in Spanish 1220 GMT 8 Jan 80 PA

[Telephone report by Joaquin Maizon]

[Text] Good morning, Radio Mia listeners. Phillip Butcher, secretary general of the Confederation of Workers of the Republic of Panama [CTRP] told Radio Mia last night that its 32,000 members throughout the country will go on a 48-hour strike on 28 and 29 January to protest the president's statements voicing his opposition to the abolishment of Law 95.

The CTRP represents 11 federations, a national union--the National Union of Banking Employees of Panama--and is affiliated with 60 unions from Panama, Colon, Cocle, and the banana workers unions.

Butcher said that Law 95 diminishes the workers' stability and places conditions on their right to strike. Butcher told this reporter that the strike will be staged to demand respect for the rights of workers and recognition of their value in national life. It is expected that other unions or federations will join the movement, from the business, transportation, and other sectors.

It is necessary that a nationwide strike be held so that the government and management sectors will realize that the Panamanian workers are demanding the repeal of Law 95. The strike by the workers will paralyze all work activities. We do not plan to hold public demonstrations or anything of the sort, Butcher said. We only want to request that the affiliated groups abstain from work, because we do not want to have our members on the streets to provoke disturbances or have other groups infiltrate the strike.

[Begin Butcher recording] We will begin with a 48-hour strike and if we do not achieve the expected results, it is possible that we may decide to stage a longer strike in the future. [end recording]

SITACA CALLS INDEFINITE STRIKE AT SUGAR MILL

PA092227 Panama City CRITICA in Spanish 8 Jan 80 p 17 PA

[By correspondent Vasquez Galvez]

[Text] Nata, Panama--The Industrial Union of Sugarcane and Sugar Workers (SITACA), declared an indefinite strike yesterday to demand wage increases for the more than 2,000 field hands, who only 5 days ago began working the present sugarcane harvest, which is expected to generate an estimated revenue of 10 million balboas at Nata's La Estrella sugar mill.

We have been able to verify that so far the movement has been conducted in an orderly fashion, and that the situation in the entire area is normal.

A communique released by the SITACA representatives has given the public notice that an indefinite strike has been called because the company is paying field hands the same wage as last year, despite the government decrees establishing new wage increases for agricultural workers.

COSTA RICA

GOVERNMENT DENIES ACTION AGAINST SOVIET, CUBAN DIPLOMATS

PA092245 Panama City ACAN in Spanish 1840 GMT 9 Jan 80 PA

[Text] San Jose, 9 Jan (ACAN-EFE)--Costa Rican Foreign Minister Rafael Angel Calderon Fournier has denied that the Costa Rican Government is preparing an action against diplomatic and consular officials of the Soviet Union and Cuba who are accredited to San Jose.

A local radio station affirmed yesterday that the government of President Rodrigo Carazo Odio was planning to expel several Cuban consular officials and reported on an eventual break in relations with the USSR in view of the possible participation of representatives of the two nations in a strike which has paralyzed banana plantations in the Atlantic coast for the past 20 days.

After a meeting which lasted all day and part of the night yesterday, Foreign Minister Calderon Fournier maintained that the meeting, which was attended by top government officials, analyzed the situation caused by the strike in the plantations of the Standard Fruit Company, a subsidiary of the U.S. transnational Castle and Cook.

"We did not discuss a single word about the Russians and the Cubans. We only discussed the strike in Limon," Calderon Fournier noted.

The rumors on the expulsion of Cuban consular officials and the virtual break in diplomatic relations with Moscow increased in view of the climate of agitation being experienced by Costa Rica at this time. President Carazo blamed this climate on the country's communists.

A few months ago, during a violent strike in Limon port, also on the Atlantic coast, the San Jose government expelled two Soviet diplomatic officials accused of having intervened in the strike.

At the end of the meeting attended by the president and most of the Cabinet members, Labor and Social Security Minister German Serrano Pinto urged the banana workers to resume their activities. Serrano Pinto stressed that his ministry had expressed support for the strikers' thesis by noting that the regular working day is 7 hours and not 8 as the company claims.

Meanwhile, the Costa Rican police have been kept in their garrisons in order to prevent any violent incidents.

AUTHORITIES GIRD FOR POSSIBLE DISORDERS IN ATLANTIC ZONE

PA092354 San Jose Radio Reloj in Spanish 1730 GMT 9 Jan 80 PA

[Text] A tense situation prevails in the Atlantic region. The strike has kept inhabitants in a state of expectancy. Measures have been taken to prevent disturbances.

Reports from the Atlantic part of the country indicate that a very tense climate prevails in the region. Measures have been taken to forestall any disturbances. The tension in that region is due to the turn of events regarding the Standard banana workers strike. Limon inhabitants are waiting while the government and labor leaders are announcing measures in different directions.

The possible extension of the strike to other sectors and probability of disturbances in the coming hours has caused the concentration of the Civil Guard and alert by the Costa Rican Red Cross.

Red Cross units have been dispatched toward Limon. Three ambulances and 15 Red Cross members who have been trained in riot emergencies were sent out this morning by the Red Cross to the Atlantic port. The Costa Rican authorities deemed it advisable to take such measures in view of the possibility of disturbances in that Atlantic port due to the strike, the concentration of the Civil Guard and the tension prevailing among the Limon inhabitants.

CARAZO CRITICIZES OIL PRICES, COMMUNIST STRIKE PARTICIPATION

PA090412 San Jose Radio Reloj in Spanish 1200 GMT 8 Jan 80 PA

[Text] Speaking over a national radio and television network last night, Costa Rican President Rodrigo Carazo referred to the petroleum crisis and the problems caused by the banana workers strike.

Carazo asked for preferential oil prices for the developing countries. A developing country like Costa Rica cannot withstand the periodic increases in petroleum prices, President Carazo said in a message sent to his colleagues in Mexico, President Jose Lopez Portillo, and in Venezuela, President Luis Herrera Campins. On reiterating that payment for their petroleum needs is consuming the economy of our nations and is threatening social peace, President Carazo once again proposed the establishment of a differential oil price for poor countries. The developing countries are facing the destruction of their economies and their social development is greatly affected by the high price of petroleum and by the effects of the measures adopted by powerful countries to compensate for the oil prices, President Carazo said.

Even though it is true that Mexico and Venezuela's cooperation regarding the supply of petroleum has brought about excellent benefits, if differential prices are not established for the poor countries nothing can save us from new oil price hikes, Carazo added.

The communists promote sedition and harm our economy. A communist leader has his sight and heart set on serving a foreign imperialist power, the Soviet Union, which he defends even if he has to trample on patriotic principles, Carazo said. If someone wants further proof let him read the praise of the Communist Party of Costa Rica for the Soviet military intervention in Afghanistan, the president added.

Carazo warned the communist leaders that they cannot harm our national economy with impunity, or attack our institutions daily, promote sedition and mock our laws and our rights.

In another part of his speech, President Carazo said the government distinguishes between legitimate and respectful protest and sedition and between honorable and legal opposition and anarchy. The president said the communist leaders can act freely and have whatever opinion they please, but not at the expense of the interests of the workers, or the stability of the national economy and our democratic life. Carazo said it is evident that the communists do not understand the language of respect, legality or national interest.

In another part of his speech after criticizing the communists, Carazo said that in an act of clear devotion to justice, the government solved the demand of the Banana Workers Union which had led to the strike. In a totalitarian country the reply would have been tanks of arrests. However, in Costa Rica, the reply was fairness and justice. Instead of ending the strike, the communists' reply was to go to Limon to incite the workers to paralyze that city and all banana activities.

Upon asking the Costa Ricans to think about these events, President Carazo said the government accepted the workers' view but their communist union leaders do not want to act in accordance with reason and justice. They are not interested in solutions because those leaders want permanent chaos, problems and anarchy; that is, a situation in which they will be able to satisfy their own political interests.

If we do not react, the consequences will be serious. When we give them replies based on reason and justice, the communists react with injustice, disorder or violence, Carazo said. That is why if the Costa Ricans do not open their eyes to this reality, their awakening will be very painful. Carazo asked Costa Ricans to react to this situation because the consequences will be even worse if the public is not correctly guided and things are not called by their name.

On reiterating that this is a particularly difficult time for Costa Rica, Carazo said he has tried to show Costa Ricans the seriousness of this historic moment and the challenges we face. The president said this difficult moment can only be overcome with work, responsibility, austerity and personal sacrifice. He said the government is open to all types of suggestions. That is why one cannot condone the fact that there are Costa Ricans who, inspired by slogans or ideologies, dedicate themselves to the destruction of the economy and democratic institutions. The president said the government has already begun to apply the law. He added that although it hurts him, he must notify the banana workers who are victims of the communist leaders that their back wages will not be paid. He then asked the banana workers to reflect upon the fadt that in a democratic government they will always find officials and legal means to defend their rights.

PVP LEADER DEFENDS PARTY FROM GOVERNMENT ATTACKS

PA100253 San Jose Radio Reloj in Spanish 0100 GMT 10 Jan 80 PA

[Text] The communists are defending themselves from government attacks. They say Carazo's statements are either premeditated or foolish. In the name of the Popular Vanguard Party [PVP], Manuel Mora Valverde has affirmed that he has always maintained that the union movement in Costa Rica should not be politicized. At a news conference held today, he stressed that the PVP has been defending the country's institutions and workers for the past 50 years.

According to Mora Valverde, the country's present climate of agitation is a legitimate workers protest in view of high prices, robberies, rapes and other social evils. A few days ago, President Carazo spoke, concentrating in political and ideological areas. He accused the communists of fomenting chaos and receiving orders from the Soviet Union. In replying to this, Manuel Mora Valverde said at his news conference this afternoon that they have never received orders from Moscow. That would have meant that Leonid Brezhnev was planning the ministrikes in Costa Rica while a third world war is being predicted.

The PVP has never mixed union and political matters in its 50 years of existence in order to gain more control of the Costa Rican workers. He also said the workers cannot disrupt order as the government claims because the only interest they have is to fulfill their immediate needs. Mora Valverde said Carazo's statements stemmed from ill faith or stupidity.

Regarding the workers' working hours, Mora Valverde said it is a matter of custom in the area. The workers have the right to go home when they are through with their banana tasks even if it is before they have put in their 7 hours.

He stressed that everybody is defending the full force of the collective bargaining. He also said the workers were demanding accrued wages because the Standard Fruit Company is responsible for this situation.

NEW MINISTRY OF ENERGY TO BE CREATED

PA092334 San Jose Radio Reloj in Spanish 1730 GMT 9 Jan 80 PA

[Text] (Edmund) Goodrich will be energy minister. President Rodrigo Carazo decided to create the new ministry, as we reported a few days ago. The Energy Ministry will be created and Mr (Edmund) Goodrich will be minister. He has served as an adviser to President Carazo in several fields, particularly in economic and industrial affairs.

The Energy Ministry will be charged with everything regarding national resources and some areas connected with oil exploration and fuel substitutes.

EL SALVADOR

NAMES OF NEW CIVILIAN JUNTA MEMBERS ANNOUNCED

PA092035 Paris AFP in Spanish 2016 GMT 9 Jan 80 PA

[Text] San Salvador, 9 Jan (AFP)--Christian Democrats Antonio Morales and Hector Dada as well as Ramon Avalos, a medical doctor with no known political background in the country, were elected here today by the armed forces as the new civilian members of the government junta.

The report was officially made to EFE by Col Abdul Gutierrez. He and Col Adolfo Majano are the two other members of the Salvadoran Government junta.

Dada, a former foreign minister, and lawyer Antonio Morales, secretary general of the Salvadoran Christian Democratic Party, were designated for the positions by their own party. Avalos was chosen as an independent member by the armed forces.

The new members of the junta will be sworn in this afternoon at Government House.

MILITARY JUNTA MEMBERS DISCUSS RETURN TO DEMOCRACY

PA100345 Panama City ACAN in Spanish 0220 GMT 10 Jan 80 PA

[By Rosendo Majano H.]

[Text] San Salvador, 9 Jan (ACAN-EFE)--The Salvadoran revolutionary government junta asked the people here today to have confidence in the armed forces' ability to achieve structural changes.

Junta member Col Adolfo Arnoldo Majano told local and international newsmen during an impromptu news conference that the current regime is transitory and totally free elections will be convened in due time so the people can choose the kind of government they want.

He emphasized that the armed forces' proclamation issued on 15 October 1979, the day of the military insurrection, is still the fundamental basis for change in El Salvador. He said the recent Cabinet crisis which climaxed with the resignation of all ministers and under secretaries, directors of certain autonomous and semiautonomous institutions and the three civilian members of the junta, has afforded an opportunity to make a public restatement of the scope of the democratization process, its principles and basis.

He added that the new Salvadoran authorities have sought dialog with the various peoples organizations since 15 October and the latter have been asked to join a peaceful national development movement. He stressed that oligarchic power will cease to exist in this country and explained that private business will be bolstered in every way.

In turn junta member Col Jaime Abdul Gutierrez rejected the charges of a "turn to the right" by the government that several ministers and other resigning officials made and he said in clarification that the political crisis following the voluntary resignation of the Cabinet and the three civilian junta members was not premediated but a mere political circumstance.

He added that the resigning officials were not in collusion. Gutierrez said there were three alternatives to the crisis being tackled: to set up an entirely military government, to set up one with independents or to set up one with the participation of all political parties. The latter was decided upon because it is the one alternative that best suits the people, the officer said.

Regarding the resignations of the defense minister and under secretary which are both publicly requested here by the archbishop of San Salvador, Msgr Oscar Arnulfo Romero, Gutierrez said both followed a special armed forces' order. Defense Minister Col Jose Guillermo Garcia said that to resign at this difficult time for the nation would be like leaving a place when it is most needed to save the country.

Colonel Gutierrez said there will be a harsh opposition by the oligarchy to the social welfare measures that the junta will announce shortly and that it is part of the responsibility assumed by the current government to cope with it. Concerning the possible future takeover of job sites by leftwing activists, he said the junta has formulated a flexible public order document and specifications will be made for what is a labor issue and what is public order. He concluded by saying there is an accelerated development plan which includes the industrialization of the country and other matters for the benefit of all Salvadorans.

Meanwhile the Nationalist Democratic Union Party announced this afternoon that it will not participate either directly or indirectly in the "Christian Democratic" administration being set up and it stated that it will pursue the unity of the democratic and revolutionary forces "to have a truly revolutionary government that will facilitate the definitive liberation of our people."

COPEFA CALLS FOR NATIONAL UNITY IN DEVELOPMENT EFFORT

PA100436 Panama City ACAN in Spanish 0200 GMT 10 Jan 80 PA

[By Rosendo Majano H.]

[Text] San Salvador, 9 Jan (ACAN-EFE)--The Salvadoran Armed Forces today said over a national radio network that the time has come for all Salvadorans to join forces around a national popular and democratic development project, to march together "towards a future of social justice" in this country.

The Armed Forces' Permament Council (COPEFA), accompanied by the members of the revolutionary governing junta, Cols Adolfo Arnoldo Majano and Jaime Abdul Gutierrez and the minister of defense, read a message from the army to the Salvadoran people, based on the armed forces' proclamation of 15 October 1979, when they overthrew the regime of Gen Carlos Humberto Romero.

COPEFA noted that the democratization process which started on that day, and has been implemented in all Salvadoran sectors, has met strong opposition from the ultraright as well as the ultraleft.

It added that the people have felt their aspirations interpreted and they have offered their support for this decision.

The army confirmed its commitment to the people to pave the way for changes and democracy, considering it to be the historic alternative of El Salvador, and announced its determination to make it a reality, "by putting into the task all the enthusiasm and enduring the sacrifices required to carry it out."

COPEFA noted that the recent government crisis has left two great lessons: that it is possible, within the framework of democracy, to rationally and positively overcome the crises, and that to implement the postulates of the armed forces' proclamation, it is necessary to unmistakably define the line the government will follow for the people.

The armed forces feel that the basic objective of the reforms is to produce the changes in the present economic, social and political powers that will allow formation of a society of ample participation by all Salvadorans. [It will be] "a society that will promote the human being and defend his inherent rights as such," the military spokesmen underlined.

The document points out that economically, it will be necessary to expedite and extend the nationalization of foreign trade of cotton, seafood, sugar and coffee products; to speedily implement a national agrarian reform which will directly benefit the peasantry; to nationalize the banks to obtain social and popular benefits of credit and savings, at the same time guaranteeing the bank deposits; and to raise the national farm production through incentives to small and medium producers.

Similar incentives should be made available in the urban productive activities, especially the industrial sector.

In the social field, labor-management relations will be redefined to afford greater guarantees to the rights of both sectors. This field includes peasant organizations, massive health programs, education and housing to benefit the lower income sectors, and educational and moral reorientation programs to form the new man the country needs.

In the political field, proper conditions will be created for the implementation of structural reforms to lead the country toward a democratic solution, in which the people will decide their own destiny. As soon as possible, a constitutional statute that will be the basis for ruling during the present period of transition will be issued. It will respect the democratic and republican nature that has been established by the existing Constitution and contain the necessary amendments to make all structural changes possible.

A constructive dialog will be started with all popular sectors to attain their peaceful participation in the process of structural changes and a peaceful coexistence will be established with these organizations in which respect for the laws and the human rights will be the norm for mutual behavior.

The armed forces have also established rules for the operation of the private enterprise and the respect for the pluralist nature of the new government.

In the military field, they expressed firm support for all the reforms and regulations aimed at achieving the changes El Salvador needs within the political, social and economic process.

They established full respect for individual rights and the collective rights of all Salvadorans through the establishment of adequate procedures of a social nature. They said they will explain their role in these procedures in regard to their duty as guarantors of law and public order.

Regarding this, the security bodies will intensify their participation in government actions for the good of all, thus actively joining the democratization process and the respect for human rights.

In conclusion, COPEFA reiterated its recognition of the full presidential powers of the revolutionary junta and its role as general commander of the armed forces.

FORMER EDUCATION MINISTER SAMAYOA JOINS FPL RANKS

PA090214 Panama City ACAN in Spanish 0041 GMT 9 Jan 80 PA

[Text] San Salvador, 8 Jan (ACAN-EFE)--The former education minister of the Salvadoran revolutionary governing junta, Salvador Samayoa, tonight announced here he is joining the leftwing clandestine "Farabundo Marti Popular Liberation Forces" (FPL).

Speaking at a news conference in the auditorium of the School of Law of the University of El Salvador, the 38-year-old former education minister, a philosophy graduate, said he will fight for a better life for the Salvadoran people.

Samayoa remained protected by members of the FPL during his appearance at the news conference.

He said his decision to join the people's struggle in the FPL ranks did not entail his disregard for the work being carried out by the other leftwing organizations, but was made because he finds himself more closely identified with the FPL for political and humanitarian reasons.

Samayoa resigned his portfolio on 3 January, after a little over 3 months in that post. During that period, he granted several concessions to the Salvadoran National Teachers' Association, which had been denied by past governments.

He and eight other ministers, several vice ministers and many directors of autonomous and semiautonomous institutions, made their remaining in the Cabinet conditional on an antioligarchic stance from the young military leaders.

GUATEMALA

EGP KILLS TWO PEASANTS AS INFORMERS IN NORTH

PA081503 Paris AFP in Spanish 0004 GMT 8 Jan 80 PA

[Text] Guatemala City, 7 Jan (AFP)--Two brothers were killed in the village of Uspantan, in the north of Guatemala, during new incursions carried out by the Poor People's Guerrilla Army (EGP), it was reported here today.

They were accused by EGP, a leftist group which has been very active in recent years, of being informers. Their bodies were marked with the guerrilla organization's acronym.

The report also says that the peasants in the region are worried because of the situation they are up against. If they report the presence of the guerrillas to the police they are considered informers and if they do not say anything to the police, the authorities then accuse them of collaborating with the guerrillas.

HONDURAS

NICARAGUAN RESPONSE T HELICOPTER INCIDENT DEEMED INSUFFICIENT

PA080434 Panama City ACAN in Spanish 2320 GMT 7 Jan 80 PA

[By Armando Cerrato]

[Text] Tegucigalpa, 7 Jan (ACAN-EFE)--The protest Honduras lodged with Nicaragua and the OAS because one of its helicopters was machinegunned by the Sandinist forces remains firm but it is not an obstacle preventing Honduras from attending the meeting of Central American chiefs of state in Managua, Honduran Foreign Minister Eliseo Perez Cadalso told ACAN-EFE, this afternoon. He affirmed that "the Hondurans are willing to discuss any topic of regional or bilateral interest anywhere and anytime."

Perez Cadalso noted that it is not true that he told Conny de Pinel, Nicaraguan charge d'affaires in Tegucigalpa, "that the helicopter incident has been forgotten or left in suspense."

"I have not received instructions from the top command in that sense and I cannot unilaterally state that the matter is over after I presented a formal protest on it," Perez Cadalso affirmed.

The Honduran foreign minister said he is sure the Nicaraguan consul misinterpreted his statements when he told her that fortunately the matter had occurred without fatal consequences and that it was not something that should be exaggerated but that it was something to be protested.

"In diplomatic life," he explained, "incidents cannot be forgotten or ended just like that. They must be investigated, confirmed and then a solution for the reasons which motivated them should be sought when their effects have not been serious."

Perez Cadalso said all problems, as serious as they may seem, ban be solved between brotherly countries through dialog, not only through violence.

"Our government," he noted, "does not like violence and it participates in any international forum, bilateral or regional, to which it is invited with good faith in its search for peace."

He confirmed that he had received an official invitation from the Costa Rican Foreign Minister to attend the meeting of Central American foreign ministers to be held in San Jose on 15 January.

However, he said that he had learned from press dispatches, not officially, that it seemed that the meeting would be canceled, but he was waiting for confirmation of this.

He noted that there were certain problems in holding the foreign ministers' meeting, which is to be a preparatory event for the summit of Central American chiefs of state.

"In the first place," he said, "the Guatemalan president has asked that it be postponed for various reasons, mainly because of a lack of a definite agenda."

"In the second place," he added, "the problems being experienced by El Salvador because of the serious social agitation there seem to be a serious obstacle for El Salvador to attend the summit."

He emphasized that at the present time any meeting of countries is good "as long as they all attend."

The summit has been welcomed with great optimism in Honduras because in addition to being good for discussing matters of regional interest, it may serve to solve the various differences which have kept Honduras apart from Nicaragua.

Hondurans and Nicaraguans have been having border and diplomatic problems, and for a while it was believed here that a great armed conflict was imminent.

However, the two governments have remained calm despite some aggressive statements.

NICARAGUA

GUATEMALAN INTERIOR MINISTER ARRIVES FOR TALKS WITH BORGE

PA092335 Managua Radio Sandino in Spanish 1800 GMT 9 Jan 80 PA

[Text] Donaldo Alvarez Ruiz, Guatemalan government and interior minister, arrived in Managua for talks with his Nicaraguan colleague Interior Minister Tomas Borge, the Nicaraguan Foreign Ministry reported. Alvarez Ruiz will also talk to Interior Deputy Minister Hugo Torres and other members of the Nicaraguan Government.

MINISTER DISCLOSES COFFEE LOSSES FOR 1978-1979 OF $33 MILLION

PA100028 Panama City ACAN in Spanish 1806 GMT 9 Jan 80 PA

[Text] Managua, 9 Jan (ACAN-EFE)--Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca disclosed today that a $33-million loss in coffee production has been registered in 1978-1979.

The losses, estimated at more than 183,000 quintals of coffee, were attributed by the official to the problems created recently by extensive smuggling rather than to labor conflicts exclusively.

Martinez Cuenca denied that the reduced coffee production had originated in sabotage by the grain's cutters. Nonetheless, he stressed that he regarded the losses detected as "reasonable," if one bore in mind that Nicaragua is suffering the effects of popular insurrection, the liberation war and the negative heritage left behind by the Somozist administrations.

According to him, the exportable coffee production is currently estimated at 1 million quintals, while national consumption is approximately 110,000 to 150,000 quintals.

Minister Martinez Cuenca rejected coffee leader Roberto Duarte's charge that coffee losses amounted to about 400,000 quintals. "That figure is exaggerated," Martinez Cuenca said, stressing that the reduction has been estimated at 183,000 quintals of the grain.

So far, he added, Nicaragua has exported 62.18 percent (621,789 quintals) of its coffee harvest. He explained that this amount of coffee has been sold abroad at an average price of $194.77 per quintal.

INDICTMENTS PRESENTED ON FORMER SOMOZIST GUARDSMEN

PA070417 Panama City ACAN in Spanish 1657 GMT 6 Jan 80 PA

[Text] Managua, 6 Jan (ACAN-EFE)--Violation of international law is one of the charges the special prosecutors have been filing in the revolutionary courts here against the former Somozist guardsmen and particularly the members of the former "National Security Office."

The trials of some 7,000 prisoners, former members of Gen Anastasio Somoza's administration which was overthrown last July following the victory scored by the Sandinist revolution, resumed this week after a yearend recess.

The indictments say the "systematic policy of repression and crime flagrantly practiced by the genocidel Somozist guard for over 45 years violated the norms and principles of international law as well as the resolutions of the United Nations, the OAS and the Geneva conventions on human rights."

According to the charges, the army "uniformly made attempts against the lives and integrity of innocent and defenseless individuals such as children, women and the elderly, by means of cruel treatment, torture, mutilation and murder. It showed the utmost contempt for human dignity, particularly to prisoners of war."

The prosecutors handling the indictments said voluntary enrollment in the National Guard makes the prisoners guilty of "association to commit a crime."

Of course they have also been indicted for "murder" in the various "peoples" tribunals in this capital and departmental capitals.

From among the "angelic chorus," as the officers and agents in General Somoza's personal security corps were known, Juan Jose Puerto, Alberto Moreno Aplicano, Juan Marcos Orozco, Francisco Ruben Almanza, Miguel Picado Ampie and Jorge Rodemiro Maradiaga have been officially indicted.

Carlos Alberto Rodriguez Vargas, Jose Antonio Lopez, Alberto Moreno Gutierrez, Pedro Valverde Martinez and Jose Francisco Pinell have also been put in the "defendant's seat."

Most of them have claimed to be innocent of the charges, noting that as military personnel "we just followed orders and if we did not desert earlier it is because we feared reprisals."

However, some of them admitted that the National Guard ordered and carried out massacres of opponents of the Somoza regime.

A third group of 19 former National Guardsmen was indicted yesterday.

UNESCO'S M'BOW EXPRESSES SUPPORT FOR LITERACY DRIVE

FL051449 Havana Domestic Service in Spanish 1200 GMT 5 Jan 80 FL

[Text] UNESCO Director-General Amadou Mahtar M'Bow has sent a message to Nicaraguan Education Minister Carlos Tunnerman reaffirming his organization's support for that Central American country's literacy drive. In the message Mahtar M'Bow states: I wish to reiterate my desire of not sparing efforts aimed at apprising world public opinion of the drive and obtaining the greatest possible aid for Nicaragua in that endeavor. The drive, which is aimed at teaching more than 50 percent of the Nicaraguan population to read and write, will begin on 24 March.

Specialists of the Education Ministry have set a price of $20 million to the literacy drive in which 180,000 teachers, among them the Cuban internationalist educators who are in that fraternal country, will participate. The UNESCO director-general visited Nicaragua last December at the invitation of the Junta of the Government of National Reconstruction and offered technical and economic aid to eradicate illiteracy in that Central American nation.

MEETING STRESSES POLITICAL ROLE OF TEACHERS

PA060106 Managua Radio Sandino in Spanish 1800 GMT 5 Jan 80 PA

[Text] Nicaraguan teachers belonging to the National Association of Nicaraguan Teachers [ANDEN] held an important and worthwhile National Assembly meeting yesterday. ANDEN Executive Board members said the meeting was held to come closer to the rank and file and especially to urge all ANDEN leaders to organize and train themselves so as to guide Nicaraguan students and youths adequately.

The ANDEN members said they learned many new things during the assembly meeting because the leaders of our revolution participated in it. Commanders of the Revolution Bayardo Arce and Carlos Nunez discussed the role that teachers should play in the current revolutionary process. They also mentioned the role ANDEN should play as a political organization of all Nicaraguan teachers.

Guerrilla commander Dora Maria Tellez and government junta member Moises Hassan were also at the meeting. Sixteen departmental delegations and 96 municipal delegations also participated in the meeting.

During the meeting, Nicaraguan teachers insisted on defining the role that teachers should play in the literacy campaign slated to begin in March. They said ANDEN's key role under the current circumstances is to provide political training for Nicaraguan teachers since they are the cornerstone in developing the new Nicaraguan man.

The commanders of the revolution said Nicaraguan teachers should be, above all, revolutionary, in order to set an example for our country's students and youth. The ANDEN leaders remarked this event is just the beginning of an entire work plan they will carry out throughout 1980.

U.S. MOVES AGAINST SOVIET UNION ANNOUNCED

FL091126 Havana Domestic Service in Spanish 1100 GMT 9 Jan 80 FL

[Text] President James Carter has announced in a televised interview the formation of an international consortium for military assistance to Pakistan, a country that borders Afghanistan. In a continuation of the aggressive statements of the U.S. Government in recent weeks, Carter reiterated that it was possible that the United States would use military bases in Oman, Somalia and Kenya.

Using the pretext of an alleged Soviet military intervention in Afghanistan, the U.S. Government also announced a number of unilateral actions that include trade and diplomatic restrictions in its relations with the USSR. The unilateral actions taken by the Carter administration include a reduction of weekly Aeroflot flights between Moscow and New York as well as weekly flights in the summer. They include the temporary closing of the U.S. consulate in Kiev and a request that the USSR do the same with its consulate in New York. The actions also include a suspension of grain and wheat sales which has resulted in serious protests by U.S. farmers. The U.S. Government also has restricted Soviet fishing in U.S. waters.

Commentary Warns of Consequences

FL091332 Havana Domestic Service in Spanish 1145 GMT 9 Jan 80 FL

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program commentary]

[Excerpts] In recent days, the propaganda of the imperialist Western powers and hegemonistic Beijing is stressing what they call Soviet military intervention in Afghanistan. It has been shown that this gross campaign of lies has no aim other than to hide the true military plans of the Yankee Pentagon and NATO which are reinforcing their military presence in the Near and Middle East.

The Soviet Union is helping Afghanistan by virtue of the peace, friendship and good neighbor treaty that has existed between the two states since 1978 and in accordance with provisions of the UN Charter. Soviet assistance to Afghanistan has been given at the request of the Afghan Government and it consists of helping that nation repel the foreign act of aggression promoted by imperialism and Maoism. It is not military intervention as claimed by the representatives of reaction.

Nevertheless, the United States, its allies and China seem quite willing to endanger world peace by means of anti-Soviet provocations and actions. Washington already has reacted by delaying ratification of the SALT II treaties and taking a number of actions that obstruct Soviet-U.S. relations of cooperation.

It is now China's turn to appear more radical than the United States in its anti-Sovietism, and it is trying to show off, taking advantage of the visit to Beijing by Yankee Secretary of Defense Harold Brown. Thus, in a demonstration of force, the Chinese Army is preparing to conduct a large-scale military maneuver a few kilometers from the Soviet border to show the Pentagon that it is ready.

Referring to Chinese-U.S. talks being held in Beijing, a spokesman of the Chinese Defense Ministry reported that the United States and China had agreed to resist and oppose what he called the Soviet invasion of Afghanistan.

A statement of this sort was to be expected because both the yankee secretary of Defense and Chinese Vice Premier Geng Biao have done nothing more during their talks than to reach agreements on anti-Soviet plans that were hatched beforehand. As recently published in New York, well-defined plans exist calling for an eventual Chinese-U.S. aggression against the Soviet Union.

Just as the Soviet news agency TASS declared in commenting on the recent speech of the U.S. President, no one should have the slightest doubt that the Soviet Union will defend its legitimate interests and the interests of its allies and friends. It would be wise for those who are drafting anti-Soviet plans to seriously consider the consequences of their actions and not play with fire.

INCREASED U.S. MILITARY SPENDING DECRIED

FL081314 Havana Domestic Service in Spanish 1145 GMT 8 Jan 80 FL

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program commentary]

[Text] Under the James Carter administration, U.S. policy has entered a phase of militarism which can be described as the most excessive and dangerous of recent times.

A brief review of U.S. Government actions since Carter became President reveals how the bellicose hysteria has been increasing to such a degree that the principal endeavor of leaders in that country currently is based on an insane growth of military development. This year's Yankee military expenditures budget amounts to $141.2 billion, or $59.2 billion more than in 1973.

Aside from the repudiated plan to place 572 U.S. missiles in NATO countries of Western Europe such as West Germany, England, Holland, Belgium and Italy, let us see on what the Pentagon is planning to invest the largest bellicose budget of its history.

First of all, it plans to maintain 480,700 U.S. troops overseas, the figure reached in 1979. Of these, 325,200 are in the allied countries of Europe. Carter and his advisers place special emphasis on the creation of a so-called rapid deployment force capable of landing anywhere in the world when Washington believes it threatens its interests. This invading force will have more than 100,000 troops and includes part of the Marine Corps, army units, 92d Airborne Division of special troops, 101st Air Assault Division and several units of the Yankee air force and navy.

The United States--besides having to maintain more than 2,500 bellicose enclaves in 114 countries of the world, 400 of them in 30 nations alone--this year is planning to install new bases in Oman, Somalia, Kenya and other areas.

The Pentagon program includes modernization of the U.S. military complex on Diego Garcia Island in the Indian Ocean to convert it into a permanent support base of a U.S. 5th Fleet.

A new militaristic program submitted to Congress by Carter calls for development of cruise missile production, the MX missile system and new Trident submarines equipped with missiles with a range of more than 4,000 miles.

A total of $2.1 billion will be invested to build a new Nimitz class nuclear aircraft carrier, and $57 million has been appropriated just for the preparatory work of the MX missile.

This missile system will cost, according to estimates, between $30 billion and $35 billion. New nuclear warheads of greater power for the Minuteman missiles also will be completed.

A draft bill introduced by Carter was approved and signed by him appropriating a total of 3.8 billion this year for the construction of military projects which call for the expansion of existing bases overseas. A total of $410 million will be spent on European territory alone. The principal projects will be implemented in West Germany, a country on which the United States places special emphasis for its warmongering plans. A total of $17.6 million has been appropriated just to expand the air base in Keflavik. This enclave guards the northern flank of the NATO bloc.

The Yankee army and Marine Corps will spend $14.4 million on new installations in Okinawa, Japan, and the U.S. Air Force will spend $20.6 million to expand its bases in South Korea.

On U.S. territory itself, the Pentagon will expand eight air bases with investments of $196 million.

The United States is speeding up work to put into operation space espionage taxis [presumably shuttle], a program for which Carter promised the National Aeronautics and Space Administration--NASA--a supplementary budget of between $300 million and $500 million. The program had an initial appropriation of $5.1 billion but NASA considers it insufficient.

The Pentagon also granted almost $73 million to the Lockheed firm so that it can continue a production program of maneuverable warheads.

We could cite many other examples which show not only the insane U.S. arms race but also the extent of resources wasted by that country on war objectives. As we said in the beginning, the facts show that under the Carter administration the United States has entered the most excessive and dangerous phase of militarism of recent times.

RAUL CASTRO MEETS WITH CPSU DELEGATION

FL101221 Havana Domestic Service in Spanish 1200 GMT 10 Jan 80 FL

[Text] Army Gen Raul Castro Ruz, second secretary of the party Central Committee, yesterday afternoon received a CPSU delegation headed by Aleksey Chernyy, member of the CPSU Central Committee, first secretary of the party territorial committee in Khabarovsk and deputy to the USSR Supreme Soviet. The Soviet delegation, which is composed of CPSU officials from various Soviet republics and provinces and the CPSU Central Committee, is visiting our country within the framework of the cooperation plan that exists between our party and the CPSU.

Soviet Ambassador to Cuba Vitaliy Vorotnikov and officials of the party Central Committee General Department of Foreign Relations participated in the meeting which was conducted in a fraternal atmosphere.

KAMPUCHEAN ENVOY HOSTS RECEPTION MARKING LIBERATION DAY

FL091133 Havana Domestic Service in Spanish 1100 GMT 9 Jan 80 FL

[Text] (Grun Samgen), charge d'affaires of the People's Republic of Kampuchea, has hosted a reception at the Cuban Institute for Friendship with Peoples--ICAP--on the occasion of the first anniversary of the liberation of his country.

Elena Gil, member of the Party Central Committee and president of the Movement for Peace and Sovereignty of Peoples; Acting Foreign Minister Rene Anillo; Vice Foreign Minister Pelegrin Torras; Ramon Castro Ruz, director of the Western Livestock Breeding Plan; Santiago Cuba, attorney general and president of the Cuban-Kampuchean Friendship Association; the diplomatic corps and representatives of liberation movements accredited to our country attended the reception.

SUGAR EXPORT AGREEMENT REACHED WITH SYRIA

FL092157 Havana Domestic Service in Spanish 2111 GMT 9 Jan 80 FL

[Text] Today in this capital at the Foreign Ministry [MINREX] protocol hall there was an exchange of long term instruments on the supply of sugar from the Republic of Cuba to the Syrian Arab Republic. The exchange took place between Rene Anillo, first vice minister of the MINREX, for Cuba and (Nadir Nadir), [Syrian] charge d'affaires acting on behalf of the Syrian Arab Republic. In his remarks Anillo stressed that the exchange ceremony represents one more link in the development of relations between the two countries, which is encouraged by Presidents Fidel Castro and Hafiz al-Assad. For his part (Nadir Nadir) stated that trade relations between the two countries have greatly developed because the two countries struggle against a common enemy--imperialism, which is interested in preventing the development of the two peoples.

BULGARIAN AMBASSADOR TOURS FACTORY CONSTRUCTION SITE

FL100026 Havana Domestic Service in Spanish 0000 GMT 10 Jan 80 FL

[Text] Bulgarian Ambassador to Cuba Boyko G. Dimitrov has examined the construction schedule of the 26 July Martyrs agricultural equipment factory being built on the outskirts of Holguin City with the cooperation of that socialist country. In a meeting with Bulgarian and Cuban specialists and party leaders, Dimitrov inquired about the progress of the project and flow of supplies for completing it on schedule.

Later in the day, the Bulgarian ambassador participated in the annual evaluation meeting of the Bulgarian technicians who are assisting in the construction of the factory, which will produce 11 different types of agricultural equipment and will be part of an important industrial complex together with the 7 October Revolution anniversary sugarcane harvester factory.

MINISTER EXPLAINS SUSPENSION OF FLIGHTS OVER TERRITORY

PA092347 Paris AFP in Spanish 1929 GMT 8 Jan 80 PA

[Text] Havana, 8 Jan (AFP)--Four airlines, including one U.S., one Venezuelan, and two Colombian, had to suspend their flights over Cuba last week, it was confirmed here today. The companies are the U.S. Braniff, Venezuelan Viasa, and Colombian SAM and Condor flights. These companies did not comply with the existing national law that regulates air traffic over Cuba, the Transportation Ministry of Cuba indicated. Vice Minister for Aviation Argimiro Ojeda, in charge of civil aviation here, told the Cuban news agency that since 3 January the law has been fully complied with.

The law regulating the use of Cuban airspace by commercial airline companies became effective in 1976. According to Ojeda, in April of last year they asked the airline companies that use the Cuban air corridors to update their data. The request was reiterated in August.

SAM, Condor, Viasa and Braniff did not comply with this request, but if they do so they will have the service and be authorized to make overflights, according to the vice minister.

A diplomatic source had denied yesterday that Cuba was refusing permission to Colombian planes to overfly Cuba, but apparently he referred to special flights subject to ad hoc arrangements in each case.

Cuban airspace is constantly flown over by aircraft en route to the United States, Central and South America and Europe. This flight is conducted in specific corridors. One of the most commonly used is the route between South America and the United States, flying over Varadero Beach, 140 km east of Havana.

Conflict With Colombia Denied

PA092047 Madrid EFE in Spanish 0439 GMT 9 Jan 80 PA

[Text] Havana, 8 Jan (EFE)--Since 2 January, Cuba has been enforcing in its airspace a law that was sent to all countries in July 1978. Unofficial Cuban sources told EFE that there is no bilateral conflict with Colombia in regard to the airspace, "contrary to what people have been led to believe in other countries."

The regulations call for a 10-day advance notice of intended overflights, an indication of the nature of the flight, name of pilot, place of departure and arrival of the plane, date and hourof the overflight and so forth. The same sources said that so far Avianca is the only Colombian airline which has met the requirements. Meanwhile, Clara Nieto Ponce de Leon, Colombian ambassador to Cuba, has told EFE that there is no problem between Cuba and Colombia in connection with this matter.

ARNALDO MILIAN ANNOUNCES PREMIUM PAY PROGRAM FOR FARMERS

FL091118 Havana Domestic Service in Spanish 1100 GMT 9 Jan 80 FL

[Text] Studies are currently underway to establish premium pay to farm workers who exceed scheduled production in the cultivation of starchy vegetables, party Politburo member Arnaldo Milian Castro has pointed out at a meeting held in the city of Bayamo. The characteristics of the 1980 starchy vegetables production plan in Granma Province were released at the meeting. The 1980 plan calls for production of more than 2 million quintals of starchy vegetables and planting of highly productive varieties.

Arnaldo Milian emphasized that studies are being made to assign a number of workers to a specific area where they would be responsible for the required cultivation work. He said that in addition to regular wages, they would receive additional pay if they exceed established production goals.

Tours Farm Areas

FL091220 Havana Domestic Service in Spanish 1200 GMT 9 Jan 80 FL

[Excerpt] Milian toured the starchy vegetable fields of Bayamo and Cauto Cristo accompanied by party Central Committee members Rafael Francia Mestre, minister of agriculture, and Emilio Loo Hernandez, party first secretary in Granma Province.. The Politburo member described as positive the work being done in the province aimed at guaranteeing for 1981 more than 800 caballerias under irrigation, which is indispensable for stable farm production.

SECRETARIAT MEMBER VISITS CAMAGUEY CONSTRUCTION PROJECTS

FL091959 Havana Domestic Service in Spanish 1905 GMT 9 Jan 80 FL

[Text] On the second day of his tour of Camaguey Province, PCC Secretariat member Jorge Risquet visited the area of the Batalla de las Guasimas sugar mill in Nuevitas, the construction site of the workers' housing and La Gia dam. Accompanied by Lazaro Vazquez, first party secretary in Camaguey, Risquet was briefed on the progress of the new mill, which by the end of last year was 92 percent complete.

The workers building the modern sugar mill are trying to complete the major part of the project by 28 January and start another unit in the area of La Jagua in the municipality of Santa Cruz del Sur. Risquet explained to the workers the efforts and gains made by the construction brigade building the 30 November sugar mill in Pinar del Rio.

PEDRO MIRET TOURS SAGUA LA GRANDE INDUSTRIES

FL092239 Havana Domestic Service in Spanish 2230 GMT 9 Jan 80 FL

[Text] PCC Politburo member Pedro Miret Prieto has toured the main projects and industrial enterprises in Sagua la Grande. At the 9 April salt mines in Isabela de Sagua, Miret examined the ongoing program of investments and ordered the adoption of measures to step up the construction work, which includes expansion of the project to an area six times what it is today as well as the introduction of machinery to increase annual production from 5,000 tons to 50,000, an amount which will be progressively reached in steps until completion of the plan in 1984. The PCC Politburo member also visited the 9 April equipment parts enterprise, which produces spare parts for the sugar industry. There he observed the operation of the machine shop and the foundry.

MIRET CHAIRS SANTA CLARA FACTORY MEETING

FL100039 Havana Domestic Service in Spanish 0000 GMT 10 Jan 80 FL

[Text] The expansion work completed at the Fabrik Aguilar Noriega mechanical construction enterprise in Santa Clara City was termed satisfactory during a meeting chaired by PCC Central Committee Politburo member Pedro Miret Prieto. Our correspondent in Santa Clara, Rafael Plasencia, reports: [Begin Plasencia recording] The possibility of completing the tandem building this year was anticipated if an adequate flow of supplies coming from abroad is maintained. Presently, the metallic structures are being assembled at the tandem building and roofing work has begun. It is expected that before the month's end work in the technological field will begin. [end recording]

BRIEFS

NORDIC BRIGADE'S ACTIVITIES--The members of the Nordic brigade departed for Cienfuegos Province today as part of the tour of the central part of the country they began on 2 January. The brigade members will also visit the Escambray Mountains and the hospital located in La Sierrita community. From there they will go to Rancho Luna Beach and the Cienfuegos industrial area. Late this afternoon they will return to Santa Clara City and tonight will visit the Ernesto Che Guevara vocational school. The Nordic brigade is composed of 200 youths from Sweden, Finland, Norway, Iceland and Denmark. They did production work during the last two weeks of December at the Ariguanabo textile mill and at Ceiba del Agua's citrus fruit harvest. [Text] [Havana Domestic Service in Spanish 1917 GMT 7 Jan 79 FL]

DOMINICA

MINISTER DOUGLAS TAKES OVER AGRICULTURE MINISTRY

FL072035 Kingston Domestic Service in English 2030 GMT 7 Jan 80 FL

[Text] Dominica's Finance, Industry and CARICOM Affairs Minister Michael Douglas has been allocated the additional portfolio of the Ministry of Agriculture, Lands and Marketing. Mr Douglas' added responsibility comes in the wake of the resignation of Agriculture Minister Ferdinand Parillon who charged that he was interfering in the running of the ministry. Prime Minister Oliver Seraphin made the announcement today and said the ministerial change had been effected late last week.

STRIKE AGAINST AGRICULTURAL MARKETING BOARD BEGINS

FL082052 Kingston Domestic Service in English 2030 GMT 8 Jan 80 FL

[Text] In Dominica workers at the government's Agricultural Marketing Board have started a strike to pressure the authorities into meeting their demands for backpay owed since 1974. The action follows the expiry of an ultimatum to government which expired today. According to the Dominica Amalgamated Workers Union, DAWU, no attempts have been made by the Agricultural Marketing Board management to settle the issue. Two requests have been made by the workers of the board, both of which suggest backpay be made in two installments. The first stage would cost nearly 300,000 U.S. dollars. The DAWU says the industrial action will continue until a satisfactory agreement has been reached.

JAMAICA

MANLEY ASSUMES AGRICULTURE MINISTRY DUTIES

FL081922 Kingston Domestic Service in English 1830 GMT 8 Jan 80 FL

[Excerpts] Prime Minister Michael Manley this morning took up office as minister of agriculture at the Hope Gardens head office of the ministry. Mr Manley took over the agriculture portfolio just under two weeks ago in a Cabinet reshuffle, which forms part of the government's drive for efficiency and increased production. Mr Manley will continue his basic responsibilities as head of the government in addition to agriculture.

MANLEY CONGRATULATES INDIRA GANDHI ON EIECTION VICTORY

FL080551 Kingston Domestic Service in English 1530 GMT 8 Jan 80 FL

[Text] Prime Minister Manley has sent congratulations to Mrs Indira Gandhi on the victory of her Congress Party in the Indian general elections. The text of the prime minister's message congratulated Mrs Gandhi on her magnificent victory and said that the people of India have resoundingly confirmed their faith in her leadership.

JMA CALLS FOR MEETING ON IMPORT LICENSES

FL081848 Kingston Domestic Service in English 1730 GMT 8 Jan 80 FL

[Text] The Jamaica Manufacturers' Association [JMA] has called an emergency meeting for Thursday to discuss the country's economy, with particular reference to the shortage of foreign exchange for the purchase of raw materials, components and machinery replacement.

In a statement the JMA expressed great concern over the ability of the trade administrator's department to issue import licenses for 1980 for these goods. The association said according to its information only a small number of manufactuers had sufficient raw materials stocked to enable continuous production through the end of January. And it's noted that even if import licences were issued now disruption in the flow of materials could cause lay-offs and closure of some factories.

Meanwhile a meeting scheduled for today involving the minister of industry and commerce, William Isaacs, and members of the private sector has been postponed until Friday afternoon. The minister should have met with members of the business sector to discuss the issuing of import licenses and the importation of goods.

SEVERAL ROADS MINED; ANTIGOVERNMENT DEMONSTRATIONS REPORTED

FL081819 Kingston Domestic Service in English 1730 GMT 8 Jan 80 FL

[Text] Several roads and communities near [word indistinct] Mandeville were found blocked this morning where most of the road blocks are mined. According to the police the blockages must have been up late last night and were discovered by a patrol early this morning. Clearance began shortly after six o'clock [1100 GMT] with the assistance of the Public Works Department and motorists themselves.

The communities which were affected include (Hatfield), (Green Bay), (Ismington), (Pertree), (George's Valley), (Melrose Hill) and (Cay Ground).

Most of the roads have been cleared and the flow was affected only for a limited extent. There were reports that demonstrations in a few of these areas, but these were said to have been small. [as received] The groups carried placards stating that they could take no more of the government and indicating that today marks the anniversary of last year's gas-strike demonstrations. The demonstrations last year were organized by the Nationalist Patriotic Movement [NPM], an affiliate of the Jamaica Labor Party.

Meanwhile the NPM this morning cancelled a newsconference it had called to mark the anniversary of the last demonstrations over gas prices. A release advising of the news conference had said that the new NPM chairman, (Roy L. Williams), would outline the group's attitude to rising price increases, to add to prices including gas and gasoline and to unemployment. However no reason has been given for the cancellation of the news conference.

TRINIDAD

DOCKERS STRIKE TO PROTEST NEWSPAPER ACCUSATION

FL092109 Kingston Domestic Service in English 2030 GMT 9 Jan 80 FL

[Text] A dockers union in Trinidad says seamen and (Allied) Workers Trade Union has directed its membership to stop handling newsprint imported by newspapers in the country as a mark of protest against a recent press report. In imposing the boycott last night the president of the union, Mr (Vernon Glean), called on the newspaper which carried a story that a leading trade unionist had stolen part of a consignment of hams from the Port-of-Spain docks to identify the trade unionist. According to the union official, the newspaper report was wicked and [words indistinct] and was an attempt to drag port-workers to the ground. The officials added that the boycott would not be lifted until the identity of the trade unionist was revealed. One of Trinidad's newspapers had reported that a trade union leader and a top government man had helped [words indistinct] to the hams from a Christmas consignment of 141 cases which arrived in Trinidad last month.

ECUADOR

GOVERNMENT INCREASES PRICE OF BUNKER FUEL

PA090137 Madrid EFE in Spanish 0432 GMT 8 Jan 80 PA

[Text] Quito, 7 Jan (EFE)--Ecuador has decided to increase the prices of bunker fuel for Ecuadorean-flagged vessels operating in international routes as of 1 January, it was officially announced here today. The increase will be applied on a biyearly basis as follows: Diesel oil priced at $4.95 in 1979 will be increased to $8.56 for the first half of 1980, which represents a tariff increase of 72.75 percent per barrel. For the second half of the year the price will be raised to $16.96, which represents an increase of 242.37 percent as compared to 1979. Fuel oil priced at $3.59 in 1979 will be increased to $7.76 for the first half of the year; a 115.89 percent increase. For the second half, the price will be raised to $11.92, which represents a 231.78 percent increase as compared to 1979.

VENEZUELA

HERRERA CANCELS BOLIVIAN VISIT DUE TO BUSY SCHEDULE

PY081320 La Paz Radio Panamericana Network in Spanish 1130 GMT 8 Dec 79 PY

[Excerpt] The announced visit to this country by the Venezuelan president will not take place because of the tight work schedule of the president of our brother country. This announcement was made by the Venezuelan Ambassador Pedro Luis Echeverria, who spoke with interim President Lidia Gueiler Tejada about this matter.

BUDGET CUTS CAUSE SERIOUS CONCERN FOR INFORMATION MEDIA

PA090215 Madrid EFE in Spanish 1523 GMT 8 Jan 80 PA

[Text] Caracas, 1 Jan (EFE)--The Venezuelan Radio Nacional and the VENPRES state news agency are in danger of disappearing because of budget problems. The 1980 budget approved by the National Congress shows substantial cuts in the funds assigned to the Information and Tourism Institute to which the two information organizations belong.

The budget cuts are already causing problems because of the need to reduce personnel before the end of the month. Of the 30 newsmen working at the official VENPRES agency, 15 are expected to be dismissed. At Radio Nacional the number of dismissals will be over 50, including newsmen, announcers, producers and workers.

In view of these problems, Information and Tourism Minister Jose Luis Zapata has begun a crusade for financial support to prevent the dissolution of these information organizations. According to Minister Zapata, $5 million will be needed to save Radio Nacional and VENPRES. This would be obtained by means of an additional credit by the National Congress. If a satisfactory agreement is not reached in Congress, the state news agency will practically disappear and leave over 20 newsmen and an equal number of teletypists, administrative employees and workers idle. Radio Nacional would continue operating with serious limitations, according to staion spokesmen who have expressed their concern overtthe drastic budget cut.

The budget cuts also affected the programs of a high-powered government radio station to be installed in the northwestern region of the country to cover the Caribbean and Andean regions.